

March 2, 2000

By Hand Delivery

Paul L. Gretch
Director, Office of International Aviation
U.S. Department of Transportation
400 Seventh Street, S.W., Room 6402
Washington, D.C. 20590

Re: Notice of Delta Air Lines and Air France Concerning Third-Country Codesharing to Bucharest, Cairo and Kiev

Dear Mr. Gretch:

Delta Air Lines, Inc. ("Delta") hereby replies to American's February 24, 2000 letter in opposition to the above-referenced codeshare notice. To the extent relevant, Delta is also requesting that a copy of this letter be included in dockets OST-00-6903 and OST-00-6982 by which American purports to apply for "available" designation opportunities in limited-entry codeshare markets resulting from Delta's decision to switch codeshare partners from Swissair to Air France.

Delta's decision to switch codeshare partners is nothing more than a technical change to a well established existing service. Delta already holds the necessary exemption authority and codeshare designations to hold out services to each of the points that Delta has notified the Department it intends to serve with Air France, pursuant to its blanket statement of authorization. The Department should promptly issue a notice confirming approval of this switch in operating carriers, so that existing services will not be disrupted, which would be contrary to well-settled Department policy and the public interest.

Contrary to American's assertions, there is no requirement for a comparative selection case, because none of Delta's limited-entry designations are available for reallocation. Delta will be using the designations, as it informed the Department last October, to continue its existing third-country codeshare services to Cairo, Bucharest and Kiev with Air France.

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In awarding Delta the limited-entry designation authority to serve these points, the Department has already determined that the Delta codeshare services are in the public interest. Nothing about Delta's decision to now conduct the codeshare operations with Air France would in any way affect the validity of that public interest determination. If anything, Delta's decision to operate service via Air France's larger Paris hub, with more nonstop services to and from the United States, enhances the benefit of Delta's codeshare services.

While it is standard Department practice to authorize operations on the basis of the original service proposal, there is no valid reason to suppose that carriers are forever limited to conducting services over a single intermediate gateway. Carriers must be afforded the necessary flexibility to conform their operations to the commercial needs of the marketplace. Indeed, American's efforts to manufacture an opportunity for itself by trying to lay claim to Delta's duly awarded third-country codeshare designations is inconsistent with the flexibility American urged the Department to afford designated carriers in the 2001 U.S.-China Case (OST-99-6323). In that proceeding, American urges that designated carriers must be "provid[ed] . . . routing flexibility . . . to respond to changes in market demand." (Feb. 2 Petition of American). Here, American urges the Department to deny Delta even more basic routing flexibility to serve designated markets over an alternate intermediate point with Delta's chosen codeshare partner.

The Department should reject American's inappropriate efforts to create mischief with Delta's codeshare designations and disrupt these important and long-established services upon which the traveling public has come to rely. In these circumstances, the Department should immediately issue a notice approving the continuation of these existing services consistent with the appropriate notice that has been submitted by Delta and Air France.

Respectfully submitted,

Robert E. Cohn
Alexander Van der Bellen
Counsel for Delta Air Lines

CC: Docket OST-00-6903
Docket OST-00-6982
Service List